MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2015/2016

BMR 1014 – FUNDAMENTALS OF MARKETING

(All sections / Groups)

30 May 2016
2.30pm-4.30pm
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 9 pages with 2 PARTS only.

2. Part A: Answer ALL questions
   Part B: Attempt **THREE** out of FOUR questions.
3. Please write all your answers in the Answer Booklet and OMR sheet provided.

Part A: MCQ (40 Percent)
Answer all questions.

1. Mariam and her staff are designing a customer-driven marketing strategy. The first step in this process is market segmentation. Identify the remaining three steps (in order) to develop this strategy.
   a. market positioning, market differentiation, target marketing
   b. market positioning, market targeting, market segmentation
   c. market targeting, market differentiation, market positioning
   d. market alignment, market segmentation, market positioning
   e. market recognition, market preference, market insistence

2. When Burger King targets different groups—from children and teens to adults and seniors—with different ads and media, it is practicing _____ segmentation.
   a. demographic
   b. age and life cycle
   c. psychographic
   d. behavioral
   e. end-use

3. Income segmentation is used to target the _____.
   a. affluent
   b. middle class
   c. lower income class
   d. all of the above
   e. none of the above

4. Developing a stronger position within several segments creates more total sales than _____ marketing across all segments.
   a. undifferentiated
   b. differentiated
   c. mass
   d. target
   e. multiple-segment

5. Companies that offer this positioning strategy find it difficult to deliver on their promise and lose out to more focused competitors.
   a. more-for-the-same strategy
   b. more-for-less strategy
   c. same-for-less strategy
   d. more-for-more strategy
   e. none of the above

Continued .....

6. A product is a key element in the overall _____.
   a. market offering
   b. brand equity
   c. brand extension
   d. co-branding
   e. value chain

7. _____ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style.
   a. Shopping products
   b. Brands
   c. Services
   d. Industrial products
   e. Line extensions

8. _____ require a lot of advertising, personal selling, and other marketing efforts because consumers do not usually know or care about them.
   a. Specialty products
   b. Line extensions
   c. Unsought products
   d. Shopping products
   e. Staples

9. A company can increase its business in four ways. Which is NOT one of these ways?
   a. It can add new product lines, thus widening its product mix.
   b. It can lengthen its existing product lines.
   c. It can add more versions of each product and thus deepen its product mix.
   d. The company can discontinue some of its lines.
   e. None of the above

10. A _____ is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same type of outlets, or fall within given price ranges.
   a. product line
   b. line extension
   c. private brand
   d. convenience product
   e. product bandwidth

Continued .....

11. The first step in the new-product development process is _____.
    a. idea generation
    b. idea screening
    c. concept development
    d. concept testing
    e. test marketing

12. Major sources of new-product ideas include internal sources and external sources. All of the following are common external sources of new-product ideas EXCEPT _____.
    a. customers
    b. suppliers
    c. competitors
    d. government agencies
    e. C and D

13. Just after reviewing a large stack of catalogs, Strawberry Hill Gallery has brainstormed a list of possible new products. They will now begin the first idea-reducing stage called _____ to arrive at a realistic number to purchase for resale.
    a. idea generation
    b. idea screening
    c. product concept
    d. concept development
    e. idea dissemination

14. Under what circumstances might a company do more than the average amount of test marketing?
    a. when a new product requires a major investment
    b. when management is not sure of the product
    c. when management is not sure of the marketing program
    d. when the product has no substitutes and is new in its category
    e. all of the above

15. The introduction stage in the PLC is a time of high costs for the firm in all of the following areas EXCEPT _____.
    a. distribution
    b. promotion
    c. product development
    d. reminder advertising
    e. informative advertising

Continued .....

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17. Companies that have a problem deciding which items to include in the base price and which to offer as options are engaged in _____ pricing.
    a. product bundle
    b. optional-product
    c. captive-product
    d. by-product
    e. skimming

18. Michael and John both own leather jackets and are currently shopping for two new ones. They both have prices in mind and refer to them when shopping. These prices are termed _____.
    a. psychological prices
    b. reference prices
    c. comparison prices
    d. price points
    e. skimmed prices

19. Your company, in response to a competitor's price change, can pursue any of four responses, including all of the following EXCEPT _____.
    a. reduce its price
    b. raise the perceived value of its offer
    c. improve quality and increase price
    d. lower the perceived quality while raising the price
    e. launch a low-price fighting brand

20. Comparison pricing claims are legal if they are truthful. However, sellers should not advertise a price reduction unless _____.
    a. it is a saving from the usual retail price
    b. a "factory" price, if listed, is what it is claimed to be
    c. a "wholesale" price, if listed, is what it is claimed to be
    d. "comparable value items" are not actually imperfect goods
    e. all of the above.

Continued .....

21. All of the following are typical supply chain members EXCEPT _____.
    a. resellers
    b. customers
    c. intermediaries
    d. intermediary creditors
    e. C and D

22. Intermediaries create greater efficiency in making goods available to target markets through their contacts, experience, specialization, and _____.
    a. financial support
    b. fast service
    c. scale of operation
    d. working relationships with foreign distributors
    e. promotional assistance

23. There are the three major types of vertical marketing systems, one is a corporate VMS. What are the other two?
    a. contractual and chain
    b. contractual and independent
    c. contractual and administered
    d. administered and independent
    e. contractual and task

24. The major disadvantage of a multichannel system is that _____ and it can generate greater conflict.
    a. it is harder to control
    b. it earns less net profit
    c. it yields fewer domestic sales
    d. it is less efficient
    e. it generates bad employee morale

25. All of the following are criteria that should be used when evaluating the major alternatives for channel members EXCEPT _____.
    a. economic factors
    b. control
    c. adaptive criteria
    d. channel leadership
    e. none of the above

Continued .....

26. When most people think of marketing, they think first of the common form of paid, nonpersonal, presentation or promotion of ideas, goods, or services by an identified sponsor that is called _____.
    a. sales promotion
    b. advertising
    c. direct marketing
    d. personal selling
    e. none of the above

27. Major factors are changing the face of today's marketing communications. Why is this happening?
    a. Mass markets have fragmented; marketers are shifting away from mass marketing.
    b. Vast improvements in information technology are speeding the movement toward segmented marketing.
    c. Mass-media companies routinely invest millions of dollars in the mass media.
    d. all of the above
    e. none of the above

28. More companies are adopting the concept of _____. This carefully integrates and coordinates its many communication channels to deliver a clear, consistent, and compelling message about the organization and its products.
    a. integrated marketing communications
    b. integrated personal selling
    c. integrated competitive method
    d. nonpersonal communication channel
    e. the Internet

29. When a customer lets a producer know something about its products, it is called a _____.
    a. response
    b. noise
    c. feedback
    d. message
    e. medium

30. Messages that advocate humor claim that they attract more attention and create more liking and belief in the sponsor. This is called a(n) _____ appeal.
    a. rational
    b. structural
    c. emotional
    d. moral
    e. linguistic

Continued .....

31. _____ is(are) portrayed as being how companies analyze their competitors and how they develop successful, value-based strategies that build and maintain profitable customers relationships.
    a. Competitor analysis
    b. Customer relationship marketing
    c. Competitive marketing strategies
    d. Relative advantage
    e. Universal strategy development

32. A company is guilty of _____ if the company forgets latent competitors and only focuses on current competitors.
    a. marketing myopia
    b. misdirected segmentation
    c. competitor synergy
    d. competitor phobia
    e. competitor myopia

33. _____ is(are) the analysis conducted to determine what benefit(s) target customers value and how they rate the relative value of various competitors' offers.
    a. Customer value analysis
    b. Competitive marketing strategies
    c. Power analysis
    d. Advertising specialty forecasting
    e. None of the above

34. Approaches to marketing strategy and practice often pass through three stages. Which is NOT one of these stages?
    a. entrepreneurial marketing
    b. intrepreneurial marketing
    c. formulated marketing
    d. exponential marketing
    e. all of the above

35. _____ are known for pursuing strategies of expansion of the total market, fierce protection of market share, and a desire to constantly expand its market share.
    a. Market leaders
    b. Market challengers
    c. Market followers
    d. Market mavens
    e. Market nicher

Continued .....

36. Deceptive promotion differs from deceptive pricing in that deceptive promotion overstates the product's _____ or _____.
    a. true price; performance
    b. features; performance
    c. packaging; costs
    d. design; features
    e. availability; performance

37. Critics have charged that some companies follow a program of causing their products to need to be replaced before they actually should need replacement. What is this program called?
    a. product failure
    b. short-term planning
    c. planned obsolescence
    d. nonfunctional warranties
    e. subliminal satisfaction

38. The high failure rate of new products shows that companies are NOT able to _____.
    a. control demand
    b. advertise enough
    c. find manufacturers
    d. find outlets
    e. none of the above

39. All of the following are considered to be seller's rights EXCEPT _____.
    a. the right to introduce any new product in any size and style
    b. the right to charge any price provided there is no discrimination
    c. the right to spend any amount to promote the product
    d. the right to use any message provided it isn't misleading or dishonest
    e. all of the above

40. The challenge for the _____ product is to add some pleasing qualities so that it will become more desirable in the consumers' minds.
    a. salutary
    b. desirable
    c. pleasing
    d. durable
    e. aesthetic

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Part B: Short Essay (60Percent)
Choose THREE (3) out of FOUR (4) questions

Question 1

Suppose you are the marketing manager responsible for recommending the sales promotion plan for the market launch of a new brand of soft drink sold in supermarkets. Discuss 5 promotional tools would you consider for this task? Explain. (20 marks)

Question 2

As the marketing manager of a company which are selling luxury car. Identify the six stages involved in the process of establishing prices. (20 marks)

Question 3

Explain the common methods for setting total advertising budgets.

(20 marks)

Question 4

a) Explain the role of sense-of-mission marketing. (4 marks)
b) What is the difference between deficient products and pleasing products? (8 marks)
c) What is the difference between salutary products and desirable products? (8 marks)

(Total:20 Marks)

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